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Testimony of Rep. Suzanne Salisbury presenting
**LD 1783, An Act to Clarify Municipal Affordable Housing Tax
Increment Financing**
Before the Joint Standing Committee on Taxation

Senator Grohoski, Representative Cloutier and esteemed colleagues of the Joint Standing Committee on Taxation, I am Sue Salisbury and I represent House District 128, which includes part of Westbrook. I am here today to present **LD 1783, An Act to Clarify Municipal Affordable Housing Tax Increment Financing**.

Thank you for the opportunity to present this bill. The now-former economic developer for Westbrook, Daniel Stevenson, brought me this bill. Which makes some minor changes to affordable housing TIF districts. He was not able to be here today but has submitted testimony online.

Specifically, this bill makes the following changes to the laws governing municipal affordable housing development districts, as follows:

1. It makes a minor change to law regarding the duration of an affordable housing development program. The new wording allows for construction time or other delays to ensure that a project can get a full 30 years of benefits from when it is placed in service.
2. It clarifies that public safety improvements such as construction, expansion or operation of public safety facilities are considered authorized project costs.
3. It allows for the retention of tax increment revenues remaining in an affordable housing development fund on the date a development district ends for up to three years. However, those funds may be used only to pay debt service or remaining costs related to the project. Any funds left after the three years must be returned to the municipality. This will allow municipalities more flexibility as a project comes to an end.
4. Finally, it authorizes a legislative body of a municipality to delegate to a municipal officer the responsibility to carry out the program's annual state reporting requirement.

Thank you for your consideration. As you can see these are small changes and clarifications to the existing statute that, as I understand, will simply make it easier for communities to implement these types of projects. While this is not an area I have significant experience, I am happy to try and answer your questions or more likely do my best to get those answers to you for the work session.